



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

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April 13, 2009

Certified Return Receipt
7003 2260 0002 0247 7976

Larry Curtis
Barnes Banking Company
33 South Main Street
P. O. Box 207
Kaysville, Utah 84037

Subject: Non-Renewal of Letter of Credit #
S0030017, Box Elder County, Utah

Park Valley Quartzite, Green Beetle Mine.

Dear Mr. Curtis:

The Utah Division of Oil, Gas and Mining (Division) received your letter dated April 3, 2009, regarding non-renewal of Letter of Credit [REDACTED] in the amount of \$18,700.00. The mine operator, Park Valley Quartzite, will be advised that a replacement surety must be provided by June 5, 2009. If a replacement surety is not provided by that date, the Division will immediately submit to you its sight draft for the full face value of the letter of credit. The Division anticipates that payment of \$18,700.00 will be made by delivery of certified funds payable to the State of Utah within two days following your receipt of the sight draft. Payment should be sent to the above address by next day delivery. The Division will hold the funds as surety for the BLM and itself to be used for reclamation of the Green Beetle mine pending a forfeiture action to be filed before the Board of Oil, Gas and Mining.

We are anticipating that the operator will not fulfill this bonding requirement and the Division will have to move forward with the presentation of the sight draft. Please advise me if you have any questions and let me know in writing if this procedure is not acceptable. Thank you. I can be reached at 801-538-5261.

Sincerely,

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure Copy of Sight Draft

Cc: Opie_abeyta@blm.gov

Royce Larsen

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EXHIBIT A - SIGHT DRAFT
to
Letter of Credit Number _____

Date	City, County	Letter of Credit No.

PAY TO THE ORDER OF: _____ Utah Division of Oil, Gas and Mining,
_____ DOLLARS

TO: (Name of Bank or Bank)
and
(Address)

Utah Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

By: _____
Authorized Signature